

programming services to residents of the City pursuant to and consistent with the terms and conditions set forth herein, the promises and undertakings herein, and other good and valuable consideration, the receipt and the adequacy of which is hereby acknowledged,

THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

1. Definitions.

The capitalized terms used in this Franchise Agreement and not defined in this section 1 shall have the meanings set forth in Article B of Chapter 3, Title 9 of The Code of the City of Alexandria, Virginia, 1981, as amended, known as the Alexandria Cable Communications Code (the "Cable Ordinance" or "Ordinance"). In this Agreement, the following definitions shall apply:

(a) *Alexandria Community Channel*: Video channel controlled by the Franchisee, which shall carry Local Origination Programming, including programming produced by the general public (subject to Franchisee's editorial discretion), together with any other programming Franchisee may elect to provide.

(b) *Cable Act*: Title VI of the Communications Act of 1934, as amended, 47 U.S.C. § 151 et seq., and all other provisions of the Cable Communications Policy Act of 1984, Pub. L. No. 98-549, and the Cable Television Protection and Competition Act of 1992, Pub. L. No. 102-385, as such statutes may be amended from time to time.

(c) *Cable Ordinance*: Chapter 3 of Title 9 of The Code of the City of Alexandria, 1981, as amended, and as it may be amended from time to time.

(d) *Cable Service*: (i) The one-way transmission on a Cable System of video programming or other programming services to Subscribers, and any Subscriber interaction that is required for the selection of such video programming or other programming services ("Video Service"), and (ii) the provision on a Cable System of any other lawful communications services ("Other Service").

(e) *Cable System*: A facility consisting of a set of closed transmission paths and associated signal generation, reception and control equipment that is designed and is used to provide Cable Service, which includes Video Service, to multiple customers within the City, but the term Cable System does not include any of the following: (1) any facility that serves only to retransmit the television signals of one or more television broadcast stations; (2) any facility that serves only customers in one or more multiple unit dwellings under common ownership, control or management, unless such facility uses any Public Right-of-Way, including streets or easements; (3) any facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Cable Act, provided that such facility shall be considered a Cable System if it is used in the transmission of video programming directly to Subscribers, whether on a common carrier or non-common carrier basis; or (4) any facility of any electric utility used solely for operating its electric utility systems.

(f) *FCC*: The Federal Communications Commission, its designee or any successor governmental entity.

(g) *Franchise Agreement or Agreement:* This contract and any amendments, exhibits or appendices hereto.

(h) *Franchisee:* Jones Intercable of Alexandria, Inc., a Colorado corporation, and its lawful and permitted successors, assigns and transferees.

(i) *Gross Revenues:* Any and all cash, credits, property and other consideration of any kind or nature received directly or indirectly by the Franchisee or any other entity that is a cable operator of the Franchisee's Cable System, which is attributable to, arises from or is in any way derived from the operation of the Franchisee's Cable System, including the studios and other facilities associated therewith, and whether in conjunction with the provision of Video Service or Other Service. Gross Revenues include, by way of illustration and not limitation, monthly fees charged Subscribers for any basic, optional, premium, per-channel or per-program service; installation, disconnection, reconnection and change-in-service fees; leased channel fees; late fees and administrative fees; fees, payments or other consideration received from programmers for carriage of programming on the Cable System; launch support received from programmers for carriage of programming on the Cable System; revenues from the rentals and Sales of converters or other equipment; fees for the rental of studios and production equipment and the use of Franchisee personnel; advertising revenues; revenues from program guides; revenues from the Sale or carriage of non-cable services, including information services and bypass services; and revenues from home shopping and bank-at-

home channels. Gross Revenues shall be the basis for computing the Franchise Fee under this Agreement. Gross Revenues shall not include barter, launch support received from a programmer in conjunction with a cooperative marketing effort between the programmer and the Franchisee in the Washington, D.C., metropolitan area, the Franchise Fee imposed by this Franchise Agreement, or any taxes on services furnished by the Franchisee which are imposed directly on any Subscriber or User by the state, City or other governmental unit and which are collected by the Franchisee on behalf of said governmental unit. Gross Revenues shall also include any consideration received directly or indirectly by any Affiliate of the Franchisee or by any Person in which the Franchisee has a financial interest which is attributable to, arises from or is in any way derived from the operation of the Franchisee's Cable System, except to the extent it constitutes reasonable consideration paid to such Affiliate or Person by the Franchisee for actual goods or services that the Franchisee has received from the Affiliate or Person.

(j) *Local Origination Programming:* Programming (i) produced by the Franchisee, intended for use in the City, and of specific local interest to residents of the City, (ii) produced by Franchisee but not both intended for use in the City and of specific local interest to residents of the City, (iii) produced in the City by members of the public, which programming is subject to the Franchisee's editorial control, or (iv) produced by the parents or affiliates of the Franchisee or the affiliates of any parent of the Franchisee; provided, that the term Local

Origination Programming shall not include either character generated programming (except to the extent such programming fulfills the Local Origination Programming requirement regarding election returns under Section 6(b)(3) of this Agreement) or any of the programming required under Section 6(h) of this Agreement.

(k) *Prior Franchise Agreement:* Nonexclusive Franchise Contract dated July 26, 1979, as amended, assigned to Franchisee by Resolution No. 1622.

(l) *Public Rights-of-Way:* The surface, the air space above the surface, and the area below the surface of any public street, highway, lane, path, alley, sidewalk, boulevard, drive, bridge, tunnel, park, parkway, waterway, easement or similar property in which the City holds any property interest and which, consistent with the purposes for which it was acquired or dedicated, may be used for the installation and maintenance of a Cable System. No reference in this Franchise Agreement to a "Public Right-of-Way" shall be deemed to be a representation or guarantee by the City that its interests or other rights in such property are sufficient to permit its use for the installation and maintenance of a Cable System, and the Franchisee shall be deemed to gain only those rights which the City has the undisputed right and power to give.

(m) *Subscribers:* Any Person who legally receives any service delivered over the Franchisee's Cable System.

2. Grant of Authority; Limits and Reservations.

(a) *Grant of Authority:* Subject to the terms and conditions of this Agreement, the Franchisee has been granted by

the City Council of Alexandria a franchise to construct, operate, maintain, repair and replace in, upon, along, across, above and over the Public Rights-of-Way in the City a Cable System for the purpose of providing Cable Service ("Franchise"), and this Agreement confirms the grant of the Franchise. No privilege or power of eminent domain has been bestowed by this grant; nor is such privilege or power bestowed by this Agreement. This Agreement does not confer any rights other than as expressly provided herein or as mandated by federal, state or local law.

(b) *Franchise Area:* The Franchise is issued for the entire present territorial limits of the City of Alexandria and any area annexed thereto during the term of the Franchise.

(c) *Term:* The Franchise and this Franchise Agreement shall expire on June 17, 2009, unless the Franchise is earlier revoked or its term shortened as provided herein or in any applicable provision of the Cable Ordinance.

(d) *Grant Not Exclusive:* The Franchise and the right it grants to use and occupy the Public Rights-of-Way shall not be exclusive and do not, explicitly or implicitly, preclude the issuance of other franchises to operate Cable Systems within the City, affect the City's right to authorize use of Public Rights-of-Way by other persons to operate Cable Systems or for other purposes as it determines appropriate, or affect the City's right to itself construct, operate or maintain a Cable System, with or without a franchise. However, the City agrees that it shall not authorize another franchisee of a Cable System to utilize the Public Rights-of-Way on terms and conditions which are more

favorable or less burdensome than those applied to Franchisee, with respect to the following specific matters: (1) the term of any such other franchise shall be no more than the term of this Franchise; (2) the franchise fee assessed on any such other franchisee shall be no less, as a percent of the portion of the franchisee's Gross Revenues that are attributable to its provision of Video Service, than the fee for this Franchise; (3) the channels and support for local origination and access channels provided by any such other franchisee shall be no less than the channels and support provided by the Franchisee; (4) the payments and other benefits received by the City from any such other franchisee, pursuant to requirements imposed by the franchise or a franchise agreement between the City and the franchisee, exclusive of any franchise fee, shall be comparable to the payments and other benefits provided the City under this Agreement, and such comparability shall be deemed to exist (i) if the payments and other benefits received from such other franchisee are of a value that is equal to \$ [REDACTED], such value to be calculated in present value terms as of the effective date of the other franchise, and, in addition, (ii) such other franchisee is required to pay the City, regardless of the form, timing or manner of the payment, at least [REDACTED] () percent of the portion of its Gross Revenues that are attributable to its provision of Video Service for each year of the franchise. In the event the terms and conditions in another franchise are, with respect to any of the specific matters identified above, more favorable or less burdensome than the terms and conditions

applicable to Franchisee under this Agreement, the City shall adjust the terms and conditions in such other franchise or in this Agreement so that such terms and conditions applicable to the other franchisee are not more favorable or less burdensome than those that are applicable to Franchisee.

(e) *Franchise Agreement Subject to Other Laws:* This Franchise Agreement is subject to and shall be governed by all terms, conditions and provisions of the Cable Act and any other applicable provision of federal, state, and local law.

(f) *Franchise Agreement Subject to Exercise of Police Powers:* All rights and privileges granted herein are subject to the police powers of the City.

(g) *Approval and Effective Date:* This Franchise Agreement shall become effective upon its approval by the City Council, and its effective date shall be the date of such Council approval.

(h) *Effect of Acceptance:* By accepting the Franchise and executing this Franchise Agreement, the Franchisee (1) acknowledges and accepts the City's legal right to grant the Franchise pursuant to the Cable Ordinance and to enter into this Franchise Agreement, (2) agrees that it will not oppose intervention by the City in any proceeding affecting the Franchisee's Cable System, (3) accepts and agrees to comply with each provision of this Agreement, and (4) agrees that the Franchise was granted pursuant to processes and procedures consistent with applicable law, and that it will not raise any claim to the contrary.

(i) *Claims Related to Prior Franchise Agreement:*

(1) In addition to satisfying all the provisions of this Franchise Agreement, the Franchisee shall remain liable for payments of all franchise fees and other amounts owed under the Prior Franchise Agreement up to the effective date of this Franchise Agreement. The grant of the Franchise shall have no effect on the Franchisee's duty under the Prior Franchise Agreement or any ordinance in effect prior to the effective date of the Cable Ordinance to indemnify or insure the City against acts and omissions occurring during the period that the Prior Franchise Agreement was in effect.

(2) Except as required to carry out the intent of the previous paragraph, as of the effective date of this Franchise Agreement, the Prior Franchise Agreement is superseded and is of no further force and effect, and the City and the Franchisee mutually release each other from any claims each had, has or may have against the other under the Prior Franchise Agreement.

(j) *Franchisee Bears Its Own Costs:* Unless otherwise expressly provided in this Franchise Agreement, all acts that the Franchisee is required to perform under the Franchise, this Agreement or applicable law shall be performed at the Franchisee's own cost and expense.

(k) *No Waiver:*

(1) The failure of either party on one or more occasions to exercise a right or to require compliance or performance under this Franchise Agreement, the Cable Ordinance or any other applicable law shall not be deemed to constitute a

waiver of such right or a waiver of compliance or performance by such party, unless such right or such compliance or performance has been specifically waived in writing.

(2) Waiver of a breach of this Agreement shall not be a waiver of any other breach, whether similar to or different from that waived. Neither the granting of the Franchise, nor any provision herein, nor any action by the City hereunder shall constitute a waiver of or a bar to the exercise of any governmental right or power of the City, including without limitation the right of eminent domain.

(1) *No Recourse:* The Franchisee shall have no recourse against the City or its officials, boards, commissions, agents or employees for any loss, cost, expense, claim, liability or damage arising out of any action or decision undertaken or not undertaken by Franchisee pursuant to the Franchise, this Franchise Agreement or the Cable Ordinance.

(m) *Amendment of Franchise Agreement:* The City shall liberally amend this Franchise Agreement upon the application of the Franchisee whenever necessary to enable the Franchisee to take advantage of developments in the field of telecommunications which, in the City's opinion, will afford the Franchisee an opportunity to serve its Subscribers more efficiently, effectively and economically. Such amendments shall be subject to such conditions as the City determines are appropriate to protect the public interest.

(n) *Periodic Review:*

(1) Subject to the provisions of this subsection 2(n), the City may amend this Franchise Agreement in a manner that will have the effect of requiring the Franchisee to upgrade or rebuild the Cable System ("Upgrade Option").

(2) The City may not initiate any Upgrade Option at a time when the Franchisee is subject to effective competition, as defined in 47 U.S.C. § 543(1)(1).

(3) In order to initiate the Upgrade Option, the City shall first commence a review of the Cable System, which review may not commence prior to the ninth (9th) or after the twelfth (12th) anniversary of the effective date of this Agreement. Such review shall be conducted to enable the City to determine the following: (i) whether the Cable System should be upgraded or rebuilt; (ii) whether the Cable System's technical standards should be revised or improved; (iii) whether additional channels, equipment, facilities or support are required for community, educational and governmental use of the Cable System; and (iv) in general, whether any other changes in Franchise requirements should be made. Each determination under this paragraph shall be based upon the reasonable cable-related needs and interests of the Alexandria community, considering the costs to the Franchisee of meeting those needs and interests.

(4) If, after conducting such review, the City decides that the exercise of the Upgrade Option may be warranted, it shall hold at least two (2) public hearings to enable the

Franchisee and the public to comment on the Upgrade Option and the issues it presents.

(5) If, following such hearings, the City determines that the exercise of the Upgrade Option is warranted under the standard set out in paragraph (2) and thus that material changes in the Franchisee's obligations under the Franchise are also warranted, and if the Franchisee is willing to comply with such changes, the parties shall amend this Franchise Agreement accordingly. If, however, the Franchisee is not willing to comply with such changes, the Franchisee, as its sole remedy, may, within sixty (60) days after the City's determination, provide notice to the City, pursuant to Section 626 of the Cable Act, that it wishes to commence proceedings to renew the Franchise. If, at the time of such notice, more than thirty-six (36) months remain in the term of the Franchise, notice shall be deemed, by mutual agreement, to shorten the term of the Franchise and this Agreement so that the Franchise and this Agreement shall terminate thirty-six (36) months from the date of the notice.

(6) Notwithstanding any provisions of this subsection 2(n) to the contrary, the City and the Franchisee may at any time amend this Agreement by mutual consent.

3. Regulation and Oversight.

(a) *Severability:* In the event that a court or agency of competent jurisdiction declares that any nonmaterial provision of this Franchise Agreement is unenforceable according to its terms or is otherwise void, said provision shall be considered a separate, distinct and independent part of this Agreement, and

such declaration shall not affect the validity and enforceability of all other provisions of this Agreement. In the event that a court or agency of competent jurisdiction declares that any material provision of this Agreement is unenforceable according to its terms or is otherwise void, or in the event a material provision is preempted by federal or state laws, rules or regulations, the parties shall negotiate an amendment to this Agreement which places the City, the Franchisee, Subscribers and other users of the Cable System substantially in the same position as if such provision had not been declared unenforceable, voided or preempted. By way of illustration and not limitation, the following provisions shall be considered material: Sections 2(a) (Grant of Authority), 2(c) (Term), 2(f) (Franchise Subject to Exercise of Police Powers), 2(n) (Periodic Review), 5(a) (System Upgrade), 5(b) (Institutional Network), 5(d) (Full Cable Service to Certain Facilities), 6 (Community, Educational and Governmental Use), and 7 (Franchise Fee).

(b) *Preemption:* In the event that federal or state laws, rules or regulations preempt a provision or limit the enforceability of a provision of this Agreement, then the provision shall be read to be preempted to the extent and for the time, but only to the extent and for the time, required by law. In the event such federal or state law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision hereof that had been preempted is no longer preempted, such provision shall thereupon return to full force and effect, and shall thereafter be binding on the parties

hereto, without the requirement of further action on the part of the City, and any amendments to this Agreement negotiated pursuant to subsection (a) as a result of such provision initially being preempted shall no longer be of any force or effect.

4. Provision of Video Service.

The Franchisee shall provide Video Service to any occupant of a residential or commercial structure who requests such service, including any multiple dwelling unit building (except that Franchisee shall not be required to provide service to any structure to which it cannot obtain access), subject to the cost-sharing provisions of this section. The Franchisee shall bear all the costs of providing Video Service to all new residential structures, new structures being those on which construction was commenced after the effective date of this Agreement. As to existing residential structures and as to existing and new commercial structures, the Franchisee shall bear all the costs of providing such service to the structure so long as the space occupied by the person requesting the service can be served with an aerial cable extension of 1,000 feet or less or, in cases where undergrounding is required, with an underground cable extension to the face of said structure of 150 feet or less. If an aerial cable extension of more than 1,000 feet is required to serve such space, the costs of the cable extension in excess of 1,000 feet shall be shared by the person requesting the service and the Franchisee in accordance with the following formula and,

if said person refuses to share the costs, the Franchisee shall not be obligated to provide the requested service:

$$C = N/30$$

C = the proportion of the costs to be borne by the Franchisee

N = the number of residential dwelling units in structures passed by the entire cable extension that could be served from the extension with a standard aerial drop of no more than 150 feet

If an underground cable of more than 150 feet is required to serve the space of the person requesting Video Service, the costs of the portion of the cable extension in excess of 150 feet shall be borne entirely by the person requesting the service and, if the person refuses to bear such costs, the Franchisee shall not be obligated to provide the requested service.

5. System Facilities, Equipment and Services.

(a) *System Upgrade:* The Franchisee's Cable System shall be upgraded within three years of the effective date of this Agreement; provided, that the City may extend this deadline for up to one year as to those portions of the System upgrade which, despite its diligent efforts, Franchisee has been unable to complete. The Franchisee's upgrade shall, at a minimum, ensure that, at all times following its completion, the System meets or exceeds the following requirements:

(1) The System shall have a capacity of at least 750 MHz, and at least 110 6-MHz equivalent channels, downstream to all Subscribers.

(2) The System shall utilize a fiber-optic wire trunk and distribution design ("fiber-to-the-neighborhood"). In

general, no more than two hundred (200) residences, businesses and other structures (counting as only one structure a single building that is a multiple dwelling unit structure) shall be served by any single fiber node. However, the Franchisee shall be permitted to serve up to 250 such residences, businesses and other structures where necessary.

(3) The System shall allow all unscrambled channels, to the extent transmitted on frequencies which a Subscriber's television set is technically capable of receiving, to be viewable on such a set without the aid of a converter, and shall minimize interference with consumer electronic equipment.

(4) The System shall comply with regulations of the FCC regarding the compatibility between cable service and consumer receiving, recording and related equipment.

(b) Institutional Network:

(1) Within three years of the effective date of this Franchise Agreement, the Franchisee shall make available, at a cost to the City of no more than one dollar (\$1.00) per year, an optical fiber communications system with a minimum transmission capacity of 2.4 gigabits per second which shall link governmental and educational facilities in Alexandria and which shall be for use by governmental and educational users (the "Institutional Network" or "Network"). This Institutional Network and its communications capacity shall be in addition to the engineered capacity required by Section 5(a)(1).

(2) The Institutional Network shall be designed, operated and maintained by Franchisee to support both analog and

digital transmissions as the City may require. At a minimum, the Network shall be capable of supporting operation of an Ethernet-like data network having a transmission speed of at least 100 megabits per second, linking together all sites on the Network. In addition to this data transmission facility, which shall be available for use on a full-time basis with a reliability of at least 99.998 percent, the Network shall be capable of supporting simultaneous upstream (to the headend) carriage of at least the following:

(A) Six standard 6-MHz upstream channels, or at the City's option 36-MHz of bandwidth, for the Alexandria Public Schools;

(B) Two standard 6-MHz upstream channels, or at the City's option 12-MHz of bandwidth, for the Northern Virginia Community College;

(C) One standard 6-MHz upstream channel, or at the City's option 6-MHz of bandwidth, for use by the City's library system;

(D) Two standard 6-MHz upstream channels, or at the City's option 12-MHz of bandwidth, from City Hall; and

(E) Two standard 6-MHz upstream channels, or at the City's option 12-MHz of bandwidth, from the Alexandria Courthouse and the Alexandria Public Safety Center.

The minimum downstream capacity of the Network (outbound from the headend to all designated locations) shall be 20 standard 6-MHz television channels, or the equivalent bandwidth, in addition to the data capacity specified under this subsection 5(b)(2).

Additional upstream and downstream channel capacity, up to the transmission capacity limit specified in subsection 5(b)(1), shall be provided by the Franchisee upon request of the City within thirty days of the date of any such request. The Network shall include central office route switching capability that can be remotely controlled from any site on the Network and that can accommodate all upstream and downstream television channels on the Network.

(3) The Institutional Network shall be designed, operated and maintained so that any transmission on the Network may be simultaneously retransmitted on the downstream educational and governmental channels provided under Section 6 and any downstream public channel provided under Section 6(a)(6).

(4) Prior to beginning construction of the Network, the Franchisee shall submit full and complete engineering plans to the City, which shall have sixty (60) days to review these plans. If the City and the Franchisee agree that the plans do not satisfy the terms of this Agreement, the Franchisee shall resubmit revised plans for a similar 60-day review. Franchisee agrees to give good faith consideration to any comments and any recommendations for change which the City provides on the Network engineering plans. No construction of the Network shall commence until the City has had at least 60 days to review and comment upon the Network engineering plans.

(5) The Franchisee shall be responsible, at its sole cost and expense, for the construction, the activation at designated user sites, the operation and management, and the

maintenance, repair and replacement of the Institutional Network, including all Network control and remotely-controlled route switching, as well as all radio frequency-to-optical, optical-to-radio frequency, and similar conversions, and all equipment required for such control, switching and conversions, that is required within the Network. For purposes of this subsection, the term "replacement" shall mean the acquisition and installation of new equipment of similar or better quality and characteristics as the equipment that is no longer capable of performing the function for which it was acquired.

(6) The Franchisee shall, at its sole cost and expense, connect to the Institutional Network such schools, libraries, courts, City offices and agencies, and such other public, educational and governmental facilities as are designated in Appendix A ("Current Facilities"), together with all schools, libraries, courts, and City offices and agencies as shall be designated by the City after the effective date of this Agreement ("Future Facilities"); provided, that, for any Future Facilities that are not designated by the City prior to the commencement of construction of the Network and that would require a line extension of more than 500 feet from the planned or existing Network, the Franchisee may require the City to pay up to half of the cost of constructing the portion of such necessary line extension that exceeds 500 feet.

(7) All Current and Future Facilities shall be connected to the Institutional Network with an industry standard connector at a location specified by the City inside the

facility, and shall include a standard interface (such as DS1, DS3, STS-1 or OC-3) consistent with the technology used by the Franchisee in the Network. Such connections, including the outside construction of drops, shall be performed by the Franchisee at its sole cost and expense, and shall be made within a reasonable time after a written request by the City.

(8) If the City wishes to use transmission capacity on the Institutional Network or the Cable System beyond its rights as specified in this Agreement, the charges for such use shall be freely negotiated on terms and conditions equal to or more favorable to the City than those offered to any other major user by the Franchisee.

(9) The City and the Franchisee agree that no costs associated with the construction, operation or maintenance of this Network or associated in any other way with this subsection 5(b) may be passed through to Subscribers in any form as part of the price they must pay for regulated Video Service or equipment, or itemized on Subscriber bills, and that no such costs constitute franchise fees or are subject to any limitations on franchise fees under applicable law.

(c) *System Upgrade and Institutional Network Schedule:* No later than six (6) months following the effective date of this Franchise Agreement, the Franchisee shall complete a schedule for the construction of the upgrade of its current Cable System required by Section 5(a) and a schedule for the construction of the Institutional Network required by Section 5(b), which shall include an identification of the control, switching, conversion

and similar equipment to be installed in the Institutional Network, and shall thereafter meet with the City to discuss each schedule. Following the commencement of construction of the System upgrade, every three (3) months until the upgraded System is completed, the Franchisee shall provide detailed written reports to the City on the Franchisee's progress in constructing the upgraded System and shall meet with the City to discuss such progress. Similarly, following the commencement of construction of the Institutional Network, every three (3) months until the Network is completed, the Franchisee shall provide detailed written reports to the City on the Franchisee's progress in constructing the Network and shall meet with the City to discuss such progress.

(d) *Full Cable Service to Certain Facilities:* Upon the request of the City, the Franchisee shall install, at its sole cost and expense, one or more service outlets at, and shall provide the full complement of video programming subject to regulation (*i.e.*, basic and any cable programming service tiers) free of charge to, each school and other educational facility, each facility occupied by a City office or agency, and each City-owned and City-leased residential structure within the Franchise Area as shall be designated by the City from time to time; provided, that the Franchisee's obligation to provide service outlets at City-owned and City-leased residential structures shall be limited to a total of 250 service outlets, which shall be allocated among such structures at the City's discretion.

(e) *Technical Standards and Proof of Performance Tests:*

(1) The Cable System shall meet or exceed the technical standards set forth in 47 C.F.R. § 76.601 and any other applicable technical standards required by federal or state law, including any such standards as may be amended or adopted by the city, in the Cable Ordinance, in a manner consistent with federal and state law.

(2) The Franchisee shall use in the upgraded Cable System equipment generally used in high-quality, reliable, modern systems of similar design, including, but not limited to, back-up power supplies at all active locations and at the headend capable of providing power to the System for a minimum of three (3) hours in the event of an electrical outage, and modulators, antennae, amplifiers and other electronics that permit and are capable of passing through the signal received at the headend with minimal alteration or deterioration. This obligation shall include the obligation to install equipment to retransmit in stereo satellite and local broadcast signals provided in stereo. The obligation to provide backup power supplies requires the Franchisee to install equipment that will (i) cut in automatically on failure of commercial utility AC power, (ii) revert automatically to commercial power when it is restored, and (iii) prevent the standby power source from powering a "dead" utility line.

(3) The Franchisee shall not design, install or operate its upgraded Cable System in a manner that will interfere with the signals of any broadcast station, the facilities of any public utility, the cable system of another franchisee, or

individual or master antennae used for receiving television or other broadcast signals.

(4) The Franchisee shall conduct proof of performance tests, in the manner and with the frequency required by the FCC (but in no event less frequently than once a year), and shall provide to the City a written report showing the results of such tests. If the tests reveal that the Franchisee is not in compliance with any applicable requirement, the Franchisee shall immediately take whatever steps are necessary to achieve compliance. No later than ten days following completion of the tests which reveal non-compliance, the Franchisee shall conduct additional proof of performance tests to determine whether it has corrected its non-compliance; provided, that the City may extend this ten-day requirement as it deems necessary.

(f) *Provision of Broad Categories of Programming:*

(1) In addition to the service requirements in this Franchise Agreement, the Franchisee agrees to provide programming responsive to the programming needs and interests of Subscribers in the City. To this end, the Franchisee shall conduct an annual survey of Subscribers for the purpose of ascertaining those needs and interests, which survey shall be in addition to any survey required by the Cable Ordinance. Both a copy of, and the results of, the survey required by this paragraph shall be provided to the City and shall be made available for public inspection.

(2) The Franchisee shall provide a basic cable service option which permits persons on fixed or limited incomes to

purchase basic cable service without the need to purchase all Video Service provided by the Cable System.

(3) The Franchisee agrees to provide a substantial amount of programming directed specifically to children and a substantial amount of programming providing coverage of national and world news.

(4) The Franchisee agrees to provide a substantial amount of programming directed specifically to the needs of the deaf and hearing-impaired.

(5) The parties expressly agree that the programming described in paragraphs (3) and (4) represents broad categories of video programming within the meaning of 47 U.S.C. § 544(b)(2)(B).

(g) *Service to Multiple Dwelling Units:* The Franchisee shall not offer to Subscribers who reside in multiple dwelling unit buildings Video Service at terms or prices that are less favorable than those offered to Subscribers who reside in single-family homes; provided, that this subsection (g) shall not apply to Video Service provided pursuant to a lawful agreement between the Franchisee and the owner of the multiple dwelling unit building, so long as, at the time the agreement was entered, the owner's consent was required in order for the Franchisee to gain access to the building, or pursuant to a lawful agreement between the Franchisee and the body authorized to represent the residents of the building.

(h) *Programming Information:* The Franchisee shall provide programming information in print, in electronic program guide

format or in menu-driven format, either through its agents, by reliance on adequate schedules available through guides in the community or through other media, in its discretion, which programming information shall be sufficient to enable each Subscriber to locate and select programs made available to that Subscriber by the Franchisee.

(i) *Leased Access Channels:* The Franchisee shall provide leased access channels as required by federal law.

6. Community, Educational and Governmental Use of System.

(a) *Access Channels:*

(1) The Franchisee shall make available to all Subscribers on the upgraded Cable System required under Section 5(a) of this Agreement at least four (4) standard 6-MHz video channels, or at the City's option 24-MHz of bandwidth, for educational and governmental access use, which channels shall be in addition to the Alexandria Community Channel or Channels provided pursuant to Section 6(b), any channels provided pursuant to Section 6(a)(6) (subject to the limitations set out in Section 6(a)(7)), and the channel or channels provided on the Institutional Network pursuant to Section 5(b). Unless otherwise specified by the City, two of these channels shall be for educational access programming and two shall be for governmental access programming. Until a Subscriber is connected to the upgraded System required by Section 5(a), the Franchisee shall make available to such Subscriber the Alexandria Community Channel and one (1) video channel each for educational and governmental use.